

ECIA

Im

FAX INFORMATION SHEET

2 Pages (including cover sheet)

Date: 6-15-99

Time: 5:40

PLEASE DELIVER TO:

Name: **George Jordan**

Firm/City: **STAR LEDGER**

Fax Number:

FROM: **WILLIAM F. ABELE, Executive Director**
RE: **"SPORTSPLEX" PROJECT**

George: Earlier this afternoon I had received a call from Pam Goldstein of Mayor James' staff who indicated that you were seeking some information on the baseball stadium. I had already spoken to Diane Walsh earlier this week and assumed that you and she had been sharing your information for this story. Based on the type of inquiries that Pam Goldstein told me that you were making of her, it appears that my assumption may have been wrong.

In my opinion, the most important thing is that you and Diane get the correct information. To that end I will try and answer herein the questions apparently presented to the City.

1. The "price tag" for the baseball stadium is not \$33.9 million.
2. The original 1997 financing resulted in gross proceeds of \$22.0 million; within that number was included \$4.6 million in gross bond proceeds for a "Replacement Park" to be developed by ECIA for the County in the Ironbound section of Newark. This was to be in addition to the work being done on the current Riverbank Park. This sum of \$4.6 million was, in fact, segregated into a separate trust account; most of this amount (over \$4.3 million) still remains segregated and available for the replacement park. Therefore, when calculating the cost of the baseball stadium, one must deduct the \$4.6 million set aside for the park. This would leave \$17.4 million in gross bond proceeds for the baseball stadium.
3. There was no "secret" \$4 million financing in 1998. The truth is that in February of 1998, after numerous public hearings at the City, County, ECIA, and State (Local

Finance Board) levels, approval was given for an additional \$4.1 million in financing (gross bond proceeds). While this authority was appropriately given for this financing, bonds were not sold in this amount. Bonds to cover this will, in fact, being sold in the next several weeks in a combined bond financing totaling \$11.9 million. The additional \$7.8 million was fully approved, again after all required public hearings, by the State's Local Finance Board in February of 1999. The decision to combine these two authorized financings was made, in part, to save costs of issuance and maximize the funds available for the stadium.

4. The County has included funds in its 1999 budget to pay its portion of the debt service on the original "Sportsplex" Bonds. I assume that the City has done likewise.
5. **There is nothing in the bond documents which precludes the use of operating Revenue for debt service on the bonds.** While the offering statement on the bonds does not pledge this revenue to the bondholders, it is absolutely legally available to be used towards debt service payments. There is no covenant not to use such monies. Our agreement with the Newark Bears has been structured to maximize the use of various operating revenues (e.g. a share of ticket revenues, share of concession revenues, sale of naming rights, and sale of skyboxes) towards reducing government's debt service obligation.
6. All 1998 debt service payments on the bonds were appropriately funded by the City and the County. **There was absolutely no use of any portion of the \$22 million to cover these expenses.**
7. All of the above can be independently verified by the bond trustee, ECIA's bond counsel, and the financial advisors for the entities.

I hope that this information is helpful to you. Please call me if you have any questions.

c. Diane Walsh
Pamela Goldstein